

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

(Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2019, dated: 27.12.2019

Sl. No.	Description	Summary																											
1.	Control Period	The Operating Period of the RPO framework specified under these Regulations shall commence from 1 st April, 2020 and shall be valid until 31 st March, 2025.																											
2.	Applicability	<ul style="list-style-type: none"> • Distribution Licensees in the State of Maharashtra; • Captive Users in Maharashtra; • Open Access Consumers in Maharashtra. 																											
3.	Obligated Entities	<p>Any person who owns a grid-connected Captive Generating Plant based on conventional fossil fuel with installed capacity of 1 MW and above, or such other capacity as may be stipulated by the State Commission from time to time, and consumes electricity generated from such Plant for his own use shall be subject to RPO to the extent of a percentage of his consumption met through such fossil fuel-based captive source;</p> <p>Any person having a Contract Demand of not less than 1 MW and who consumes electricity procured from conventional fossil fuel-based generation through Open Access shall be subject to RPO to the extent of a percentage of his consumption met through such fossil fuel-based Open Access source.</p>																											
4.	Renewable Purchase Obligation target	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Quantum of purchase (in %) from Renewable Energy sources (in terms of energy equivalent in kWh)</th> </tr> <tr> <th>Solar</th> <th>Non-Solar (other RE)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2020-2021</td> <td style="text-align: center;">4.50%</td> <td style="text-align: center;">11.50%</td> <td style="text-align: center;">16.00%</td> </tr> <tr> <td>2021-2022</td> <td style="text-align: center;">6.00%</td> <td style="text-align: center;">11.50%</td> <td style="text-align: center;">17.50%</td> </tr> <tr> <td>2022-2023</td> <td style="text-align: center;">8.00%</td> <td style="text-align: center;">11.50%</td> <td style="text-align: center;">19.50%</td> </tr> <tr> <td>2023-2024</td> <td style="text-align: center;">10.50%</td> <td style="text-align: center;">11.50%</td> <td style="text-align: center;">22.00%</td> </tr> <tr> <td>2024-2025</td> <td style="text-align: center;">13.50%</td> <td style="text-align: center;">11.50%</td> <td style="text-align: center;">25.00%</td> </tr> </tbody> </table>	Year	Quantum of purchase (in %) from Renewable Energy sources (in terms of energy equivalent in kWh)			Solar	Non-Solar (other RE)	Total	2020-2021	4.50%	11.50%	16.00%	2021-2022	6.00%	11.50%	17.50%	2022-2023	8.00%	11.50%	19.50%	2023-2024	10.50%	11.50%	22.00%	2024-2025	13.50%	11.50%	25.00%
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<ul style="list-style-type: none"> • Obligated Entity can use surplus Solar energy upto 15% of total RPO target to meet short fall in non-Solar RPO target and vice-versa. • Any variation in the fulfilment of RPO targets by the Obligated Entity within a band of +/- 5% of the applicable RPO target (in terms of Energy Units or MWh) for the respective years shall be allowed for carry forward to subsequent year under exceptional circumstances subject to detailed scrutiny. • Distribution Licensee with peak demand less than 10 MW, a Captive User of a Captive Generating Plant with installed capacity of 1 MW and above, and Open Access Consumers with Contract Demand of 1 MW and above, shall be required to meet only their composite RPO target set out annually. • In case of Captive User of a Captive Generating Plant commissioned before 1 April 2016, the composite RPO target with respect to the energy procured from such Captive Generating Plant shall be 9%. • An Obligated Entity may meet its RPO target by way of its own generation or procurement of power from another RE Project or by purchase from a Licensee or by purchase of RECs or by a combination of these options. 																													
5.	Certificates under the Regulations of the Central Commission	<ol style="list-style-type: none"> 1. The Certificates issued under the Central Commission's REC Regulations shall be valid instruments for the discharge of the Obligations set out in these Regulations for the Obligated Entities to purchase electricity from RE sources. 2. In the event of an Obligated Entity seeking to fulfil its RPO by purchase of Certificates, the obligation to purchase electricity from Solar generation may be fulfilled only by purchase of Solar Certificates, and the obligation to purchase electricity from generation based on RE other than Solar may be fulfilled only by purchase of non-Solar Certificates. 																											
6.	State Agency	Rajasthan Electricity Regulatory commission																											

7.	Distribution Licensees	<ol style="list-style-type: none"> Each Distribution Licensee shall indicate, with evidence, the estimated quantum of purchase from RE sources for each year of the Operating Period in its Multi Year Tariff Petition and shall accordingly enter into arrangements to meet its RPO. Within 60 days of close of the financial year, each Distribution Licensee shall submit a detailed statement of energy procurement from various RE sources, duly certified by the statutory auditor. 												
8.	Captive Users and Open Access Consumers	<ol style="list-style-type: none"> Captive Users and Open Access Consumers shall submit details of their consumption of electricity and power purchase from RE sources towards fulfilment of their respective RPO on a monthly basis to the State Agency. Subject to fulfilment of conditions for captive usage and eligibility criteria under these Regulations, the sale of surplus electricity from a RE-based Captive Power Project over and above the captive consumption will qualify for availing RECs. 												
9.	Incentives and Penalty	<p>Distribution Licensee shall endeavour to achieve total RPO target notified by the Central Government and for doing so it will get incentive of Rs 0.25 per kWh for RE procured above the minimum percentage specified in Regulation 7 upto the percentage notified by the Central Government as under or as may be notified from time to time:</p>												
		<table border="1" data-bbox="528 600 1495 651"> <thead> <tr> <th data-bbox="528 600 770 651">Year</th> <th data-bbox="770 600 1013 651">Solar</th> <th data-bbox="1013 600 1256 651">Non-Solar</th> <th data-bbox="1256 600 1495 651">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 651 770 694">2020-2021</td> <td data-bbox="770 651 1013 694">8.75%</td> <td data-bbox="1013 651 1256 694">10.25%</td> <td data-bbox="1256 651 1495 694">19.00%</td> </tr> <tr> <td data-bbox="528 694 770 739">2021-2022</td> <td data-bbox="770 694 1013 739">10.50%</td> <td data-bbox="1013 694 1256 739">10.50%</td> <td data-bbox="1256 694 1495 739">21.00</td> </tr> </tbody> </table>	Year	Solar	Non-Solar	Total	2020-2021	8.75%	10.25%	19.00%	2021-2022	10.50%	10.50%	21.00
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<ul style="list-style-type: none"> Any shortfall in meeting the minimum percentage of RE as specified in Regulation 7 may be carried forward from FY 2020-21 and FY 2021-22 to FY 2022-23 and from FY 2023-24 to FY 2024-25 and Obligated Entity shall meet such shortfall on cumulative basis by 31st March 2023 and 31st March 2025, respectively. Distribution Licensee shall be subjected to reduction in Annual Revenue Requirement at a rate of Rs. 0.10 per kWh for cumulative shortfall in total RE procurement target for each year. Other Obligated Entities shall be subjected to penalty of Rs. 0.10 per kWh for cumulative shortfall in total RE procurement target for each year. Incentives and Penalties for Distribution Licensees shall be determined and approved/levied by the Commission in ARR determination process. 														
10.	Monitoring and Implementation Framework	<ul style="list-style-type: none"> Within three months from notification of this Regulations, State Agency shall develop RPO Web-portal for RPO compliance monitoring and reporting. State Load Despatch Centre and Chief Electrical Inspector who will be assisting the State Agency in verification of RPO compliance of Distribution Licensees and Captive Consumers, respectively, shall also register themselves on RPO Web-portal within a month. Within 60 days from end of each quarter, State Agency shall publish RPO compliance status of Obligated Entities on RPO Web-portal. Any delay in performing activities stipulated in these Regulations shall attract penalty of Rs. 100 per day of delay. Non-payment of penalty within 15 days shall attract delayed payment charges on simple interest basis at the one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as declared by the State Bank of India applicable as on 1st of the respective month plus 350 basis points per annum on the penalty amount for the period of delay. 												
11.	Renewable Energy Pricing	<p>All RE Projects commissioned during the Operating Period specified in these Regulations shall have the option of participate in competitive bidding process or following the Tariff structure and other conditions as specified in the Regulations of the State Commission governing the terms and conditions for determination of RE Tariff or adopt the REC mechanism for pricing of the electricity generated from such Projects.</p>												
12.	Grid Connectivity Framework	<p>Development of evacuation infrastructure shall be responsibility of concerned Generating Company and it shall be treated as integral part of project for the purpose of tariff determination.</p>												